

**Teignbridge District Council**  
**Full Council Meeting**  
**25 February 2025**  
**Part i**

**Local Government Reorganisation – Minister letter**

**Purpose of Report**

To present and discuss the letter received from Jim McMahon OBE MP, Minister of State for Local Government and English Devolution inviting Councils across Devon to work together to develop a proposal for local government reorganisation.

To agree how the Council wishes the Leader and Managing Director represents the interests of Teignbridge residents in Local Government Reorganisation discussions.

**Recommendation(s)**

The Council RESOLVES to:

- (1) Authorise the Leader and Managing Director to represent the Council in Local Government Reorganisation discussions, based on the 'key requirements' as set out in section 6 to this report, including reporting mechanisms to Members; and
- (2) Utilise the same groups and engagement mechanisms as used for the Council Strategy process, to ensure the voice of Teignbridge residents are heard in the consultation process

**Financial Implications**

There are no financial implications arising from this report – see 4.1 for more detail on potential implications.

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**Legal Implications**

There are no legal implications arising directly from this report – see 4.2 for more detail on potential implications.

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## **Risk Assessment**

There are no risks arising directly from this report. Broader risks related to Local Government Reorganisation are set out in section 4.3.

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## **Environmental/ Climate Change Implications**

There are no environmental or climate change implications arising directly from this report. Broader risks related to Local Government Reorganisation are set out in section 4.4.

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## **Report Author**

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## **Executive Member**

Cllr Richard Keeling, Leader of the Council

## **Appendices/Background Papers**

Appendix 1 – Devon wide thematic maps  
Appendix 2 – Population data and profile based on current local authority areas

Background paper 1 – [Letter from Jim McMahon OBE MP, Minister of State for Local Government and English Devolution](#), February 2025

Background paper 2 – Devolution report to Council 9 January 2025

Background paper 3 – [Evaluating the importance of scale in proposals for local government reorganisation](#) – PWC, 2020

Background paper 4 – [Case for change: local government reorganisation in Dorset](#)

Price Waterhouse Cooper, 2016

Background Paper 5 – [Cumbria Local Government Reorganisation Case for Change](#), 2020

Background paper 6 – [Devolution Solution: How fixing English local government will improve economic growth](#) – Centre for Cities, 2024

## 1. Introduction/Background

The Government has a vision for simpler, more sustainable, local government structures, alongside a transfer of power out of Westminster through devolution. To achieve this the Government wants to replace areas with two tiers of local government with new unitary authorities.

The Minister of State for Local Government and English Devolution has written to all District, County and Unitary local authorities in Devon inviting them to work with each other to develop a proposal for local government reorganisation, and to set out further detail on the criteria, guidance for the development of proposals, and the timeline for this process.

The invitation, included as Background Paper 1 to this report, sets out the criteria against which proposals will be assessed.

Section 3 of this report considers the criteria for unitary local government in the Ministers letter and considerations for Teignbridge against those criteria.

## 2. Timescales

The letter from the Minister sets out the timescales for the submission of proposals:

**21 March 2025** – Interim plan setting out progress on developing proposals in line with the criteria and guidance. The expectation is that one interim plan is jointly submitted by all Councils, although there is acknowledgement that there may be more.

The final page of the Annex to the Minister's letter sets out the criteria.

Councils will not be bound by this submission, which is an important consideration given the County Council elections.

**28 November 2025** – proposal for a single tier of local government in line with the guidance as set out in the letter.

**2028** – Earliest 'go live' date for new unitary organisation(s)

### **3. Review of the guidance from the Secretary of State for proposals for unitary local government**

#### **Achieving for the whole area:**

**Sensible economic areas.** Teignbridge forms part of a functional economic area with Exeter, East Devon and Mid Devon, as shown in Appendix 1. There is also significant economic activity and movement between Torbay, Newton Abbot and Heathfield.

**Sensible geography.** Other relevant geographies and administrative areas are also set out in Appendix 1. The physical geography of the area matches the economic area and has natural links to the neighbouring authorities on all borders. Teignbridge also shares responsibility for a third of the residents on Dartmoor along with South Hams and West Devon Councils.

**Appropriate tax base.** The Council Tax bases for all Devon authorities and the average Band D rate are set out in Table 1, Appendix 2.

#### **The right size to achieve efficiencies:**

**Population of 500,000 or more.** Table 2, Appendix 2 shows the population per authority.

**Improve Council finances.** The Government is clear that there is no proposal for Council debt to be addressed centrally or written off as part of reorganisation.

Chart 1 in Appendix 2 sets out planned revenue expenditure (adjusted) per head of population 2024/25 for Teignbridge and Districts of Devon.

**Future service transformation opportunities.** The Government wants authorities to plan for future service transformation. Teignbridge District Council has been forward looking in this respect and the Modern 25 programme should be held up as an example of how service transformation can be delivered effectively and efficiently.

#### **Prioritise the delivery of high quality and sustainable public services:**

**How to avoid fragmentation of services.** The Council has a long history of working well with other local authorities. We host the Devon Building Control Partnership, Community Safety Partnership and Procurement on behalf of South Hams and West Devon. We share IT provision with Exeter and East Devon via Strata.

The key to avoiding fragmentation will include a clear focus on what is important to residents and businesses and working closely with other authorities to developing how services can be consolidated across a wider geography.

It is essential to remember that reorganisation will need to focus on being able to sustainably fund and deliver services that provide essential support to residents, and particularly some of the most vulnerable in our communities across a wide and diverse geography. This includes adult and children's social care, highways, education (including Special Educational Needs and Disabilities), housing and homelessness, and public health. Alongside this there are regulatory functions such as Planning, Building Control, Trading Standards and Environmental Health, and statutory services such as waste collection and disposal.

### **Working together and obtaining local views:**

The Government has left it for councils to decide how best to engage locally in a meaningful and constructive way, and to evidence this engagement activity in the final proposal. They also recommend consideration of issues of local identity and cultural and historical importance.

There are positive examples of recent engagement with our communities through the Council Strategy work. It is recommended that we use the same channels to communicate on Local Government Reorganisation once the consultation process starts.

Members are encouraged to consider what additional routes could be used and how they will use their roles as links between their communities and the Town and Parish Councils.

## **4. Implications, Risk Management and Climate Change Impact**

**4.1 Financial:** There are no specific financial implications arising from the report, as there are no proposals yet. However, one of the core reasons

for looking at Local Government Reorganisation is the perilous state of local government finances.

Members need to be mindful of the importance of the Council Tax and Business Rates base in future funding sustainability. As can be seen from Table 1 in Appendix 2 there is a range of Band D averages across the County. Based on the recent creation of unitary authorities it is likely that the new authority will start with the highest figure.

Planned revenue expenditure (adjusted) per head of population 2024/25 for Teignbridge and Districts of Devon is set out in Chart 1 of Appendix 2 to give a comparison and context of the authorities across the county, excluding the upper tier authorities.

The Minister's letter is clear that there will be no write-off of local government debt.

The cost for delivering reorganisation does not come from Central Government. In recent examples the cost has ranged between £20-£40 million, covering redundancies and other costs such as contract cancellation. This will need to be budgeted for by the existing authorities.

The landscape of funding for all our potential partners will change because of the proposed funding reforms to be consulted on in 2025/26 and implemented in 2026/27. The projected impacts will need to be considered as part of the ultimate financial situation of the partner authorities. At this stage we have no detailed understanding of how this may look with significant estimates in our existing and recently updated Medium Term Financial Plans.

The requirements to ensure we strive to deliver balanced budgets must remain a clear priority and all aspects of the Modern 25 programme, asset review recommendations and organisational review efficiencies be delivered at speed. The current estimated budget deficits are £3.8 million in 2026/27 and £3.6 million in 2027/28 which significantly depletes our useable reserves which could be re-directed to other sustainable investments within the District.

It is not clear from the Ministers letter what funding will be provided or what transition costs will need to be met from existing budgets. We have built up funds to provide an 'invest to save' reserve but there may be various demands on the use of this budget – in particular for existing provisions within the capital programme.

**4.2 Legal:** There are no specific financial implications arising from the report, as there are no proposals yet. The request for proposals to be brought forward are done under the Secretary of State's powers under Part 1 of the Local Government and Public Involvement in Health Act 2007.

The final decision on a proposed restructure is made by the Secretary of State. A restructure does not require the affected councils to give formal consent. There is no mechanism for the public to support or oppose restructuring through a petition or a referendum.

**4.3 Risks:** There are no immediate risks arising from this report.

However, there will need to be detailed risk assessments as part of the work to consider options once developing proposals.

At the time of writing, it is not clear which organisation will lead the work to develop proposals. It is not recommended that Teignbridge District Council submits its own proposal as this would run counter to the stated approach that the Minister is looking to support.

The timescale for the development of options is short, given the wide range of localised issues that need to be considered.

There is a risk if the focus is on power and politics, or factors outside of the direct control of local government.

#### **4.4 Environmental/Climate Change Impact**

There are no specific financial implications arising from the report, as there are no proposals yet.

As devolution proposals progress, there is an opportunity to explore how strategic delivery and planning for homes, employment, energy supply, transport and other services over larger geographies could produce good outcomes for the environment and people living in Teignbridge.

### **5. Potential Options**

The scale of work required to develop options is significant. Background paper 3 is the report used as the basis for evaluating unitary authorities and in

particular the requirement for populations of 500,000. Examples of cases for Local Government Reorganisation in Dorset (2016) and Cumbria (2020) are included as background papers 4 and 5 respectively, to give a scale of the consideration required in creating the new organisation(s).

A report in 2024 by the Centre for Cities with suggestions for an approach to national devolution is included as Background Paper 6 to this report. It suggests two unitary authorities for the whole of Devon. One unitary authority would include the current Plymouth, South Hams and West Devon boundaries, which is also the boundary of the South Devon Freeport, the other would include the rest of Devon.

The option suggested fits well with the Government's stated intentions but would have immediate impacts for current arrangements in place between Teignbridge, South Hams and West Devon including the Devon Building Control Partnership, Community Safety Partnership and Procurement.

Plymouth and Exeter City Councils prefer an approach that creates unitary authorities including the current city boundaries plus areas from neighbouring authorities. At the time of writing the report no plans have been published showing the potential boundaries.

A further option could be Plymouth remaining as a Unitary authority and the rest of Devon either as one or two unitary authorities made up of the eight district/borough Councils and Torbay.

## **6. Key requirements for Teignbridge**

Using the appraisal in Section 3 of this report against the Minister's letter, it is recommended that the Leader and Managing Director engage with the discussions around Local Government Reorganisation with the following key requirements to represent the best interests of Teignbridge residents:

- To bring a report to Council prior to 21 March 2025 for endorsement of the Interim Plan for Devon, on receipt of the Minister's response to the Interim Plans, before 28 November 2025 for the final proposal prior to the formal submissions to Government, and on receipt of the Minister's response to the formal submission.
- Report back on progress through the Executive, Full Council and informal briefings as appropriate.
- The range of functional and physical geographies are complex, and any proposal must take full account of the impact to residents, businesses



and stakeholders in Teignbridge. Evidence must be able to show that due consideration of the impacts has been made and provide justification for decisions.

- A consistent Devon wide engagement plan for consulting with stakeholders, residents and businesses on potential options needs to be produced and shared with Members by the end of March. The approach taken by Teignbridge in the creation of the Council Strategy is a basic expectation.
- Each local authority needs to set out their plans to reduce existing budget gaps to avoid burdening residents and businesses in the future organisation.
- Proportionate officer resource and budget should be made available to support this work.